GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3572
ANSWERED ON:12.12.2002
LOSSES IN PSUS
HARIBHAI PARTHIBHAI CHAUDHARY

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the number and names of public undertakings in the country which are not earning profit;

(b) the number of such undertakings out of them which have been incurring loss continuously for the last three years and the extent of loss incurred by each of them separately during the last three years, year-wise;

(c) the details of the Government investment in the undertakings which are continuously running in loss;

(d) whether these undertakings are incurring loss due to wasteful expenditure and negligence of management system; and

(e) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES(SHRI BALASAHEB VIKHE PATIL)

(a) & (b): As per Public Enterprises Survey 2000-2001, which was laid in the Parliament on 7.3.2002 and is a published document, there were 111 Central Public Sector Undertakings (CPSUs) which did not earn profit as on 31.3.2001, till which period the information is available. Further, one CPSU namely Food Corporation of India has made no profit no loss as on 31.3.2001.Out of these 111 CPSUs, 84 enterprises have been incurring losses continuously for the last 3 years i.e. 1998-99, 1999-2000 and 2000-01. The names and amount of loss of CPSUs including continuously loss making enterprises are given in Statement 7B (volume-1) of the Public Enterprises Survey 2000-2001.

(c) : The investment made by the Government in terms of equity and long term loans in CPSUs including 84 continuously loss making CPSUs as on 31.3.2001 is given in Statements 17 and 18B of Volume I of the Public Enterprises Survey 2000-2001.

(d) and (e) : The reasons for incurring losses are enterprise specific. However, some of the common reasons include old & obsolete plant and machinery, outdated technology, excess manpower, lack of working capital, steep competition, low capacity utilization, high interest burden etc.

Management of CPSUs and concerned administrative Ministries/Departments take various measures for performance improvement of the enterprises from time to time including periodical review of their performance, business and financial restructuring, cost control measures, infusion of fresh funds, formation of joint ventures, rationalization of manpower, etc.